

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 85 - HB 75**

February 25, 2015

**SUMMARY OF BILL:** Changes references for intermediate care facilities for the mentally retarded (ICF/MR) to intermediate care facilities for individuals with intellectual disabilities (ICF/IID) within Tenn. Code Ann. Extends the expiration date of the 5.5 percent tax on the monthly gross receipts of an ICF/IID for an additional two years from July 15, 2015, to July 15, 2017.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Prevents the loss of \$11,400,000 in state revenue. Included in that amount is \$5,322,500 through the Department of Intellectual and Developmental Disabilities for the tax on the state facilities.**

**Revenue recognition in the amount of \$11,400,000 and expenditures in the amount of \$5,322,500 (\$1,861,000 state and \$3,461,488 federal) are included in the Governor's proposed FY15-16 budget.**

**Assumptions:**

- Any increase or decrease in intermediate care facilities for the second year will lead to a corresponding increase or decrease in the amount collected.
- The tax will be continued at its current level. The state will continue to receive \$11,400,000 in revenue from this source.
- The Governor's FY15-16 proposed budget includes \$5,322,500 within the Department of Intellectual and Developmental Disabilities to pay the tax for the state developmental centers to the Department of Health. These funds are through the Bureau of TennCare and receive federal matching funds. The state fund portion will be \$1,861,012 at a rate of 34.965 percent and the federal fund portion will be \$3,461,488 at a rate of 65.035 percent.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding".

Jeffrey L. Spalding, Executive Director

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/kml